

6/28/66

2. PROPOSED OIL AND GAS LEASE, TIDE AND SUBMERGED LANDS, SANTA BARBARA COUNTY - W.O. 6125 (PARCEL 41).

Mr. Frederick Eissler, appearing for the Sierra Club, questioned the action recommended by staff on Calendar Item 2 attached. He requested that the Commission consider the possibility of dedicating or reserving for park purposes a one-nautical-mile zone around San Miguel Island, as well as other islands in the Channel Islands group, or at least to keep them in a condition so that esthetic and scenic values could be preserved until such time as the National Park Service is prepared to move into the area. He asked also that no onshore structures be permitted on San Miguel Island.

In response to a question by the Chairman, Mr. Roy Lynam of Humble Oil & Refining Company stated that it would not be possible to make assurances without having the matter considered by his company's engineers and geologists as to whether the area could be developed for oil and gas production without having any structures within the one-nautical-mile zone suggested by Mr. Eissler. Mr. Lynam was then asked to check and give the Commission appropriate legal guarantees, if such were possible from his company's point of view.

It was noted that onshore structures would be under the jurisdiction of the Federal government, as the Island is under the control of the Navy.

The question of possible impact of the proposed oil-and-gas development on fish, kelp beds, and the sea lion rookery in the area was reviewed. It was reported by the Commission's staff that no adverse comments had been received from the State Department of Fish and Game, and that in other offshore areas oil drilling platforms had tended to attract fish and the marine life on which they feed, thereby proving beneficial.

Action was deferred for possible reconsideration at the July 12, 1966, meeting of the Commission. In the meantime, the staff was directed to check with the bidders of not only Parcel 41, but also Parcels 45 and 46 (on which no staff recommendations have yet been made), to determine if formal guarantees could be given against installations within one-nautical-mile offshore, as well as onshore, or, alternatively, what modified guarantees the bidders could give if the full guarantees suggested and desired are not possible.

Attachment

Calendar Item 2 (1 page)

2.

PROPOSED OIL AND GAS LEASE, TIDE AND SUBMERGED LANDS, SANTA BARBARA COUNTY - W.O. 6125 (PARCEL 41).

On June 14, 1966, one bid was received in response to a published Notice of Intention of the State Lands Commission to enter into a lease for the extraction of oil and gas from approximately 5,646 acres of tide and submerged lands designated as W.O. 6125 (Parcel 41), Santa Barbara County. This offer was authorized by the Commission on April 18, 1966 (Minute Item 2, page 12,481).

The bid submitted was reviewed by the staff as to technical sufficiency and economic factors. The office of the Attorney General reviewed the bid submitted by Standard Oil Company of California, Humble Oil & Refining Company and Atlantic Richfield Company and determined:

- A. That the Commission has complied with the procedural requirements of law;
- B. That the bid submitted conforms with:
 - 1. The bid requirements as specified in the proposals of the Commission;
 - 2. The applicable provisions of law; and
 - 3. The rules and regulations of the Commission.

IT IS RECOMMENDED THAT THE COMMISSION ACCEPT THE BID MADE BY STANDARD OIL COMPANY OF CALIFORNIA, HUMBLE OIL & REFINING COMPANY AND ATLANTIC RICHFIELD COMPANY ON JUNE 14, 1966, AND AUTHORIZE THE ASSISTANT EXECUTIVE OFFICER TO ISSUE AN OIL AND GAS LEASE TO THE AFORESAID BIDDER FOR APPROXIMATELY 5,646 ACRES OF TIDE AND SUBMERGED LANDS DESIGNATED AS W.O. 6125 (PARCEL 41), IN SANTA BARBARA COUNTY, AS DETAILED IN THE NOTICE OF INTENTION, W.O. 6125, PUBLISHED APRIL 19, 1966, AND APRIL 26, 1966. THE CASH-BONUS PAYMENT IN CONSIDERATION OF ISSUANCE OF THE LEASE IS TO BE \$101,214.00 AS OFFERED IN THE BID.